Economic Need

Rehabilitation Services (RS) will consider the economic need of eligible individuals with an IPE or individuals who are receiving services during an extended evaluation for purposes of determining the extent of their participation in the costs of vocational rehabilitation (VR) services. The RS policy is based on the individual's financial need, including consideration of disability-related expenses paid by the individual.

This policy will be applied uniformly to all individuals in similar circumstances. Exception: Individuals determined eligible for Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) because of their disability are exempt from a determination of economic need. Their family resources may not be considered.

For Kansas residents, the economic or financial needs test will apply to all services except:

- Assessment for determining eligibility and priority for services, except those non-assessment services that are provided during an extended evaluation for an individual with a severe disability.
- Assessment for determining vocational needs.
- Vocational rehabilitation counseling, guidance, and referral services provided by the RS counselor.
- Customer support services.
- IPE research.
- IPE case coordination.
- Purchasing support.
- Personal/vocational adjustment training.
- Work training services with placement.
- Comprehensive job coaching.
- Intensive employment support.
- Supported employment.
- On-the-job training.
- Job placement services.
- Services provided through a RS grant to a community rehabilitation program.
- Services provided at the Rehabilitation Center for the Blind and Visually Impaired.
- Any auxiliary aid or service (such as sign language interpreter services, foreign language interpreter services, reader services, personal assistance services) that an individual requires in order to participate in the VR program. (The distinguishing feature of these access services is that participation in the VR program is not possible without these services being made available.)

These exemptions do not apply for non-Kansas residents who are participating in Kansas services or programs on a fee basis.

Determination of economic need involves negotiation and counselor judgement. The Economic Needs Summary is used to compute the amount of financial assistance provided by RS and the amount of financial participation expected of the client. RS must still seek and use comparable services and benefits to pay for exempted services.

Independent status and consideration of parents' income

For purposes of economic need, individuals are considered independent if they meet one or more of the following criteria:
- The individual's own earnings constitute a majority of his or her financial support.
- The individual is 23 years old or older.
- The individual is married.
- The individual contributes financially to child support.
- The individual is an orphan or ward of the court or SRS.
- The individual has been discharged from U.S. military service.

The income of parents will not be considered when determining economic need for individuals who are considered independent under these standards. Parents' income will be considered an available resource for individuals who do not meet these standards.

Determination of available resources:

- The wages of adult wage earners in the family unit will be included in the calculation of available monthly resources. In the case of a client who lives with the parents and is claimed as a dependent, both the client's and parents' earnings will be included as available resources.
- Benefits received by adults in the family unit will be included in the calculation of available monthly resources. This includes:
    - Retirement benefits.
    - Social Security survivor benefits.
    - SSI or SSDI when it is received by an adult in the family other than the client.
- If a child in the family is receiving SSI because of a disability, these funds are not considered available resources for purposes of Economic Need. However, the child is counted when determining the number in the family in order to identify the cost of living standards.
- For clients who are married and living with the spouse, the incomes of both are available resources. For clients who are divorced or separated, only the client's income is an available resource.
- In addition to monthly income, savings and other negotiable instruments which may be readily converted into cash will be considered available resources. This includes checking accounts, money on hand, trust funds, savings, certificates of deposit, and other investments.

- Weekly benefits from workers compensation (Temporary Total Disability payments) are considered available resources.
- Workers compensation or legal settlements designated for training are an available resource.
- Workers compensation or legal settlements are exempt when they compensate for disability or injury, loss of future earnings or loss of work-related functioning.
- Legal settlements for back wages are an available resource.
- IRAs, deferred compensation accumulations and other tax-deferred assets specifically designed for retirement that existed prior to application for VR services are exempt. Additional deposits made after application for VR services are not exempt.
- Funds deposited, matching funds received, and interest earned in Individual Development Accounts are exempt.
- The client may exempt up to $2,500 in cash assets and up to $500 in cash assets for each member of the family unit.

Figuring income reduction

Income may be reduced by payments for disability related expenses (medical supplies, medication, therapies, etc.), child support and alimony. Monthly payment for health insurance may also count toward income reduction unless they were previously deducted when determining net income. Child care expenses may not be used for income reduction.

Effective dates

The purchase of a durable good is subject to economic need for at least three months. Examples of durable goods include, but are not limited to, home modifications, assistive technology devices and vehicles. Economic need standards will be applied for each month of the Individualized Plan for Employment (IPE). The Economic Need Summary may cover a maximum of 12 months, after which time it must be redetermined. Economic need must also be redetermined if financial resources change.

Cost of living standards

For purposes of determining economic need, the following cost of living standards will be applied.

1 person family	$890 per month for cost of living standard
2 person family	$1,200 per month for cost of living standard
3 person family	$1,510 per month for cost of living standard
4 person family	$1,820 per month for cost of living standard

5 person family $2,130 per month for cost of living standard

For each additional family member, add $310 per person per month for cost of living standard.

Number in family

The number in the family is based upon the number of exemptions on the latest federal income tax return.

- In the case of a client who is a parental dependent and age 22 or younger, the number in the family will be based on the number of exemptions claimed on the parents' tax return.
- An unmarried client who is age 23 or older with no dependents is considered a family of one.
- For clients who are single, separated or divorced, family size is based upon the number of exemptions on the client's latest tax returns.
- For married clients filing separate income tax returns, family size will be determined by the total number of exemptions claimed on both returns.
- Determination of dependency status and family size must be reviewed each year. A change in dependency occurs when the client's earnings constitute a majority of financial support and the client would no longer qualify as a dependent.

Verification

Counselors must request verification of information, such as income tax returns or current pay stubs. Tax forms will be the only source for identifying income of self-employed individuals.

Relationship between economic need and maintenance

It is not the intent of RS to supplement a client's resources up to the cost of living standard when the payment of maintenance is involved, but rather to address the client's needs and increased expenses that are a result of the rehabilitation plan.